

Message Text

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43

ACTION EB-07

INFO OCT-01 AF-08 ARA-06 EUR-12 ISO-00 AGR-05 CIAE-00

COME-00 INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00

CIEP-01 FRB-03 OMB-01 SS-15 NSC-05 PRS-01 L-03 H-02

/087 W

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R 231630Z AUG 76

FM AMCONSUL SAO PAULO

TO SECSTATE WASHDC 7148

INFO AMEMBASSY ABIDJAN

AMEMBASSY BOGOTA

AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY SAN SALVADOR

USMISSION EC BRUSSELS

AMCONSUL RIO DE JANEIRO

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E.O. 11652: N/A

TAGS: ETRD, EPAP, BR

SUBJ: BRAZILIAN COFFEE DEVELOPMENTS

REF: (A) STATE 202257 (B) BRAZILIA 7220

SUMMARY: CONSULATE OFFICER TALKED TO FOUR SANTOS COFFEE TRADERS ABOUT RUMORED BRAZILIAN PURCHASES OF IVORY COAST AND MALAGASY COFFEES. ALL AGREED THAT LETTER OF INTENT HAD BEEN SIGNED TO PURCHASE ROBUSTA COFFEE ON BARTER BASIS. ACCORDING TO COFFEE TRADERS, INTERBRAS IS NEGOTIATING PURCHASE OF 400,000 TO 500,000 BAGS OF COFFEE. IBC IS REPORTEDLY NOT INVOLVED EXCEPT TO ASSURE PURCHASE OF QUALITY COFFEE BEANS. IBC AND INTERBRAS OFFICIALS HAVE FLOWN TO AFRICA IN LAST COUPLE OF DAYS TO CHECK ON QUALITY OF COFFEE CROP AND PURSUE FURTHER NEGOTIATIONS.

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FINALLY, ALL TRADERS PREDICTED NEW CROP FIGURES WILL SOON BE

RELEASED BY IBC; ESTIMATES RANGED FROM 5.5 TO 6.0 MILLION BAGS.
END SUMMARY.

2. IN CONVERSATION WITH SANTOS COFFEE TRADE, CONSULAR OFFICER
LEARNED THAT LETTER-OF-INTENT HAD BEEN SIGNED BY INTERBRAS
OFFICIALS TO EFFECT BARTER PURCHASE OF IVORY COAST AND MALAGASY
COFFEES. THE EXACT QUANTITY OF COFFEE TO BE PURCHASED IS NOT
KNOWN BUT PROBABLY INVOLVES 250,000 - 300,000 BAGS FROM IVORY
COAST AND 150,000 FROM MALAGASY. BRAZIL WOULD TRADE MACHINES
AND AUTOMOTIVE VEHICLES. ALL SOURCES AGREED THAT PURCHASE
CONTRACT HAD NOT YET BEEN FINALIZED, THOUGH PRESENT VISIT TO
AFRICA BY IBC AND INTERBRAS OFFICIALS INDICATES THAT NEGOTIATIONS
ARE PROCEEDING.

3. ALL COFFEE TRADERS WHICH POST REACHED AGREED THAT PURCHASE
HAD NOT YET BEEN COMPLETED. MOST FELT THAT, SHOULD PURCHASE
AGREEMENTS BE REACHED, DELIVERY WOULD NOT BE MADE UNTIL DECEMBER
1976 OR JANUARY 1977 AFTER HARVEST OF AFRICAN CROP. A RECENT
REPORT IN O ESTADO DE SAO PAULO (SEE REFTEL B) INDICATES THAT
THERE ARE NO AFRICAN BEANS AVAILABLE FOR IMMEDIATE DELIVERY.
POST SOURCES DISPUTE THIS STATEMENT BUT ALL AGREE THAT EVEN IF
THERE IS NO COFFEE, AVAILABLE IN AFRICA FOR PURCHASE NOW, THERE
WOULD BE PLENTY AFTER HARVEST.

4. COFFEE TRADE GAVE UNANIMOUS OPINION THAT IBC WOULD ISSUE
NEW ESTIMATES FOR 1975-76 CROP, PROBABLY IN OCTOBER AFTER THE
ICO MEETINGS. TRADE FELT NEW FIGURES WOULD BE BETWEEN 5.5 AND
6.0 MILLION BAGS. ALL AGREED THAT QUALITY OF CROP WOULD NOT BE
AS GOOD AS LAST YEAR. ONE SOURCE SAID ONLY 20 PERCENT OF
CROP WOULD BE OF VERY GOOD EXPORT QUALITY. HOWEVER, THE PRE-
PONDERANT OPINION WAS THAT EVERYTHING IS EXPORTABLE IN A SMALL
COFFEE CROP AND MOST BUYERS WILL BE SATISFIED WITH ANY
QUALITY THEY CAN GET.

5. COFFEE TRADERS SAID THAT RECENT COLD WAVE ON AUGUST 16 PROBABLY
CAUSED SOME DAMAGE TO NEWLY-PLANTED TREES IN PARANA. HOWEVER,
IT IS STILL TOO EARLY TO DETERMINE FULL EXTENT OF DAMAGES,
WHICH WILL ONLY BE KNOWN IN OCTOBER-NOVEMBER WHEN FLOWERING
BEGINS.

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6. EMBASSY CONCURS.
CHAPIN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, GOVERNMENT PROCUREMENT, NEGOTIATIONS, ALLEGATIONS, IMPORT PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976SAOPA01975
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760321-1235
From: SAO PAULO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760829/aaaaaykv.tel
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Margaret P. Grafeld
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04 MAY 2006

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Review Withdrawn Fields: n/a
Secure: OPEN
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Subject: BRAZILIAN COFFEE DEVELOPMENTS
TAGS: ETRD, EPAP, BR, IV, MA, IBC, INTERBRAS
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006